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Talking Points for D/NESA  
19 October 1983

Egypt

We see no immediate threat to Mubarak's government unless economic conditions unexpectedly deteriorate to the point of sparking civil unrest.

- The legal opposition is ineffective and radical elements have largely been contained.
- Egypt's largest and potentially most threatening Islamic group, the Muslim Brotherhood, is maintaining a truce with the government.
- Military and security forces appear loyal despite sharing some economic hardships with civilians. [ ]

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The government's major vulnerability is the troubled state of the economy and the lingering perception that Mubarak has done little to improve the situation.

- Cairo is moving toward a foreign debt crisis and we believe this situation will deteriorate in the months ahead.
- Austerity measures, if imposed, could have an adverse domestic impact and increase opposition activities. [ ]

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Mubarak has gained some respect over the past year by improving relations with other Arab states and refurbishing Egypt's nonaligned credentials.

- Cairo has developed informal ties with most Arab countries except Syria, Libya, and South Yemen.
- Relations with Israel seem likely to remain cool for the foreseeable future although the peace treaty is not threatened.
- Relations with Moscow have thawed somewhat since 1981 but Cairo seems in no hurry to exchange ambassadors. [ ]

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Sudan

President Nimeiri has made a number of extremely controversial decisions this year that have weakened his domestic position.

- The division of Sudan's predominantly non-Muslim southern region into three smaller administrative units was unpopular in the south and pushed some southern politicians into antiregime activity.
- The recent imposition of Islamic law won the continued support of the Muslim Brotherhood but alarmed many Sudanese, especially in the south. [ ]

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Opposition to the regime lacks a focus, and Sudanese security services seem effective in uncovering anti-government plots.

- Outlawed political parties range from Communist to conservative, and their only common goal is Nimeiri's ouster.
- Southern opposition groups are divided by tribal and personal rivalries and disagree on whether to seek greater autonomy or complete independence. [ ]

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Sudan's overall economic situation remains serious but generous foreign debt rescheduling and aid packages have won a temporary respite for the government.

- Urban consumers continue to suffer from inflated prices and shortages of necessities such as food and fuel, however.
- These economic hardships are generating additional complaints about Nimeiri. [ ]

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IsraelDomestic Situation

Prime Minister Shamir's government is widely seen as a transition government which will probably not last until the next scheduled elections in November 1985.

- Israel's economic problems will severely test Shamir's leadership abilities. Many of his coalition partners are reluctant to accept the tough austerity measures the government is proposing and some are threatening to bolt the coalition.
- Shamir must also contend with other divisive issues--particularly on religious matters--which could threaten his coalition. His promises to the ultra Orthodox Agudat Israel--whose four Knesset seats are vital to the survival of Shamir's government--are certain to offend more secular members of his government.
- Shamir lacks former Prime Minister Begin's reputation for toughness in dealing with coalition wrangling and it is likely that he will have to agree to early elections, perhaps by next spring. [ ]

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Foreign Policy

We expect little significant change from the foreign policies pursued by Begin. Shamir has kept on Defense Minister Arens, who was the Begin government's leading decision-maker on Lebanon, and has indicated that he will follow Begin's lead on ties with the US and the peace process.

- We expect the Shamir government's policy on the West Bank to be even tougher than Begin's, however. The presence of Herut hard-liner Yigal Cohen-Orgad as finance minister will add to hawkish sentiment in the government. More settlement activity is likely.
- Other differences are likely to be marginal. Shamir, as foreign minister, played a significant role in Israeli efforts to restore ties with Black Africa and Western Europe and we expect these areas to receive more attention than they did from Begin. [ ]

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PLO

Arafat's pre-eminent position has been destroyed, probably permanently.

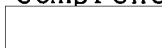
-- Rebel demands for more militant policies and close PLO-Syrian cooperation have widespread support even within Arafat's Fatah.

-- Only issue now is whether Arafat will be allowed to remain as at least a titular leader, but the burden is on him to compromise or face a further erosion of his support. 

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Radical domination of the PLO means there is no longer a credible Palestinian leadership willing to seek a negotiated solution to the Palestinian issue.

-- A settlement of the Palestinian issue separate from a comprehensive Israeli-Syrian agreement seems unlikely.



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Lebanon

President Gemayel is planning to proceed with a rump session of the national reconciliation talks at Beirut International Airport this week, but pro-Syrian conferees are refusing to attend. If talks eventually get underway they probably will make little progress and ultimately break down because of conflicting demands among confessional groups.

- Syria will urge Muslims and Druze to press for their maximum demands.
- Maronite Christians--particularly the Phalange Party and Lebanese Forces militia leaders--will resist reforms that significantly reduce Christian influence. [ ]

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The Lebanese Army continues to exchange sporadic fire with various militias; the Druze in the Shuf, and the Shia Amal militia in Beirut's southern suburbs. The heavy shelling of the Alayh ridgeline on Tuesday and the attack on Army positions around Suq al Gharb on Wednesday demonstrate that the cease-fire is crumbling.

- If negotiations lead nowhere, major fighting could break out again. [ ]

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The Army acquitted itself well during the recent fighting in the Shuf, but its ability to hold together remains a prime concern.

- The confessional divisions of Lebanese society at large are reflected in the Army.
- The officer corps is about 55 percent Christian and 45 percent Muslim, while the enlisted ranks are about 55 percent Muslim. Among the Muslims, Shias probably are the majority. [ ]

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The Gemayel government, as long as the Lebanese Army holds together, probably will retain control over the greater Beirut area.

- It will have to contend with efforts to create autonomous Maronite and Druze heartlands and continued Syrian and Israeli occupation.
- It would be hard pressed, however, if it tried to assert control over Beirut's southern suburbs now dominated by the Shia militias. [ ]

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The threat of a Shia uprising will keep much of the Army pinned down, and make it impossible for the government to launch an offensive against Druze positions in the Shuf Alayh districts.

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Syria's key goals in Lebanon are a pro-Syrian government in Beirut and the minimizing of Israeli influence in the country.

- Damascus will continue to support its allies and surrogates in Lebanon to weaken the government and force it to reach an accommodation with Syria.
- Assad almost certainly believes he can attain his objectives without significant direct Syrian military involvement. [REDACTED]

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Assad appears willing to tolerate a prolonged de facto partition of the country. He almost certainly calculates that time is on his side and that Israel will ultimately falter.

Israel's primary goal in Lebanon is to protect the security of its northern border and prevent the establishment of a Palestinian or Syrian presence in southern Lebanon.

- We believe Israel can maintain its current positions in Lebanon with minimum force--about 8,000 troops.
- Although the Israelis hope to avoid military involvement north of the Awwali River, they will respond to specific Palestinian or Syrian provocations with air strikes or artillery.
- Only Syrian drive on Beirut or the reappearance of large numbers of PLO fighters there could lead to an Israeli military move back into the Shuf or Beirut area. [REDACTED]

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Jordan

King Hussein is still interested in pursuing the Reagan initiative, but he feels blocked by the PLO crisis and the problems in Lebanon.

- He is hoping Arafat will reconsider working with Jordan. He has maintained contacts with senior PLO officials, but he refuses to receive Arafat in Amman until he is willing to endorse the agreement the two men reportedly reached prior to April 10. [ ]

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Hussein has announced that if the PLO becomes a tool of the Syrians, Jordan would no longer be bound by the 1974 Rabat Summit agreement that declared the PLO the sole legitimate representative of the Palestinian people.

- If that happens, Hussein hopes to develop an alternative Palestinian voice on the West Bank, but we believe he is unlikely to succeed given West Bank reluctance to take a stand independent of the PLO.
- Hussein also would need the explicit backing of other Arab states, particularly Saudi Arabia. [ ]

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Although Jordan has enjoyed over ten years of prosperity and stability, there is a potential for unrest, particularly within its Palestinian and tribal communities. Palestinians still face discrimination in education and employment and the bedouin tribes are increasingly concerned that they are losing influence with Hussein.

A change in government is expected soon in Jordan.

- PM candidates include former PM Zayd Rifai, CinC Bin Shaker and Chief of the Royal Court Ahmad Lozi.
- A new PM may result in a change in Jordan's foreign policy toward a closer Syrian/Jordanian or PLO/Jordanian relationship.
- Rifai's selection probably would signal an intent to ease strained relations with Syria. [ ]

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Syria

Assad's grip on power in Syria remains firm and we believe he faces no domestic political constraints on his current foreign policy preoccupations.

- The watershed of opposition activity against the regime came in February 1982 when the military crushed a Muslim Brotherhood-led uprising in the provincial city of Hamah.
- Since that event, the cost of opposition activity has been raised so high that the Syrian population has been forced into sullen acquiescence to Assad's rule.

We cannot rule out the possibility of a coup or assassination attempt, but we have detected no signs of a significant challenge to the regime.

Syria has come back from defeat and isolation following the fighting in the summer of 1982 to achieve a major role in the current Lebanese crisis and an increasingly prominent role in the Arab world.

Syria is trying to assert total control over Palestinian activity in Lebanon and to press Arafat to give in to the demands of the Fatah rebels linked to Damascus.

- With the Fatah loyalists cornered in Tripoli, Assad now effectively imposes a veto on independent Palestinian activity in Lebanon and gains insurance that Arafat will not regain a major political role in the country.
- Damascus will keep pressure on Arafat to prevent a further PLO flirtation with the peace process independent of Damascus.

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North Africa

The moderate, pro-Western regimes of North Africa are secure for the near term but face future challenges that concern us. In Algeria, a more flexible leadership has adjusted its foreign policy to include a more open approach to the US, a more moderate constructive role in Middle East politics, and an effort at containing Libyan trouble-making.

In Morocco, King Hassan is facing a deteriorating economic situation, coupled with rising expectations among a burgeoning, youthful population.

- Rabat's financial position has been severely weakened by its heavy dependence on foreign petroleum, several poor harvests, a depressed world market for phosphates (the country's primary export), and the continuing conflict in Western Sahara.
- The heavy foreign debt has significantly reduced the nation's creditworthiness; growing debt service costs have forced Morocco to stiffen austerity measures to secure a new IMF standby loan and to seek debt rescheduling.

Over the next year, these austerity measures are likely to cause popular unrest and may force the government to resort to stricter security measures. [ ]

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For Tunisia, the question of succession to President Bourguiba continues to dominate domestic politics.

- Although a successor regime would retain Tunisia's basically pro-Western orientation, there are forces in the country--principally Islamic fundamentalists--that could militate for dramatic changes in the post-Bourguiba era.
- Moreover, the Tunisian economy is stagnating, with the overall growth for 1982 of only 0.8 percent.
- In addition to a host of financial problems, unemployment and underemployment are running at about 20-25 percent.

These economic strains and the uncertainty that almost certainly will accompany succession politics could in time destabilize the country. [ ]

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Under Algeria's pragmatic President Chadli Bendjedid, the Algerians are introducing some tactical flexibility into their previous strict ideological posture.

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- They have sought broader economic and political ties with the US and assumed a much more constructive role in solving outstanding North African and Middle East problems, particularly with regard to the Western Sahara conflict, the Iran-Iraq war, and the Palestinian problems.
- Although Algeria has by no means moved completely into the moderate Arab camp or given unqualified support to US negotiation efforts, the change in its posture is dramatic as compared with only a few years ago.

Benjedid's pragmatism is also reflected in a reorientation of the economy which has involved decentralization of the national industries and greater openings for private sector participation.

Normalizing relations with Morocco is the linchpin of several of Benjedid's new policy initiatives.

- His hope is to gain economic benefits for Algeria and the other North African countries through greater economic cooperation, to seek a political solution to the Western Sahara, and to establish a regional political framework that will help contain Libya by making it answerable to its neighbors and more invested in stability.

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Libya's Qadhafi has weathered financial setbacks brought on by the soft oil market and the humiliation of losing the OAU chairmanship--which for awhile has curbed his trouble-making. His intervention in Chad and the strong US and French response have been his major preoccupation.

- He now has a secure hold on the northern third of Chad and has been relatively interested in finding a political solution in conjunction with the French, but will probably insist on maintaining control of the Azou Strip and installing a new government in Chad that will be responsive to Libya's interests in the area. Qadhafi's trouble-making elsewhere--in Sudan, West Africa, and more recently Latin America--continues albeit at somewhat erratic levels. We see no serious challenges to Qadhafi's regime at this time, although he remains vulnerable to assassination.

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NESA M# 83-10271

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